MEMORANDUM

TO: Licensed Child Care Providers

FROM: Office of Child and Family Services

DATE: January 29, 2021

SUBJECT: Coronavirus-Related Funding Opportunities for Child Care Providers

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The Office of Child and Family Services (OCFS) in collaboration with Coastal Enterprise (CEI), and Maine Roads to Quality Professional Development Network (MRTQ PDN) is pleased to inform Maine child care providers about funding opportunities and business resources available to assist in stabilizing their child care businesses. Below is a list of grant and forgivable loan resources available to eligible child care providers.

Grants: *Money given for a specific purpose that does not need to be repaid.*

1. **Microenterprise Grant**: up to $5,000 for payroll, fixed debt and more

    Eligibility Requirements:

    - The business started before 12/1/2019; and
    - has 5 or fewer employees; and
    - the business owner's household income is below the levels defined by HUD at the county level (See income eligibility by county); and
    - the business revenue loss is directly related to COVID-19.

    Timing: Now – funds are available on a first come, first served basis
    Next Steps:

    - Meet with a Maine Small Business Development Centers (SBDC) business advisor to determine eligibility and submit an application. Connect with a business advisor here.
    - Visit the SBDC website for more information: Grants for Micro-Enterprise Businesses SBDC

2. **Maine Child Care and Development Fund (CCDF) Grants**: OCFS anticipates releasing a grant application in March 2021 in order to provide funding to child care providers through CCDF Funds from the Consolidated Appropriations Act

stimulus relief. Once the funds and federal guidance is received, additional information will be made available to all providers.

Forgivable Loans: *Money lent for a specific purpose. If certain conditions are met, some or all of the loan does not need to be repaid.*

1. **Paycheck Protection Program Loan (PPP):** 1% loan for payroll, rent, mortgage interest and selected operational expenses; can be forgiven if certain conditions met.

   Eligibility Requirements:
   - The business started before 2/15/2020; and
   - has 500 or fewer employees or paid independent contractors, or the business is an eligible self-employed individual or sole proprietor with no employees; and
   - the money will be spent on payroll and allowable expenses, such as rent or mortgage interest.

   How Much Can You Borrow?
   - If this is your first PPP loan (known as a "first draw"): How to Calculate First Draw PPP Loan Amounts
   - If this is your second PPP loan (known as a "second draw"): How to Calculate Second Draw PPP Loan Amounts

   Forgiveness Details: Loans can be 100% forgiven if:
   - At least 60% of the funds are spent on payroll; and
   - the balance is spent on allowable expenses; and
   - the employee and compensation levels are maintained for 8 to 24 weeks after the loan is disbursed.

   Timing: Now through 3/31/2021
   Next Steps:
   - Visit the U.S. Small Business Administration website for more information: PPP Loan Forgiveness
   - Watch a recorded webinar: Paycheck Protection Program Loan Opportunities for Child Care Programs - YouTube
   - Call your bank or, if you do not have a bank, Lender Match can connect you with a lender. You can also view all lenders near you on a map.
   - Review the application:
     - If this is your first PPP loan (known as a "first draw"): PPP First Draw Borrower Application Form
     - If this is your second PPP loan (known as a "second draw"): PPP Second Draw Borrower Application Form

- For more information
  - First Draw PPP Loans
  - Second Draw PPP Loans

The list of funding opportunities and business resources will continue to be updated and shared as they become available.